US lawmakers call for action against trade gap with Japan

WASHINGTON, Dec 23: US lawmakers, disturbed by the slack economy and the massive job cuts announced by Genera Motors Corp, urged strong action on Sunday to reduce the growing trade deficit with Japan, reports Reuter.

President George Bush, un der intense pressure to turn the economy around, has vowed to press trade issues when he visits Japan in early

Senator Bob Kerrey of Nebraska, one of the six con tenders for the Democratic nomination for president, urged that forceful steps be

"We've got to respond as politicians saying that lives and jobs and American way of life is at stake here, and respond forcefully to the Japanese or they'll continue to play US ... for suckers,"Kerrey said On US Television.

As America's economy had sputtered, its trade deficit with Japan has worsened.

The government reported last week that the monthly gap rose to 4.6 billion dollar in October from 4.2 billion dollar in September, the biggest since February 1989.

Democratic Congressman David Bonior of Michigan,

WASHINGTON, Dec 23

President Bush says "the agony

of a very slow economy" has

made 1991 a year of mixed

emotions after victory in the

Gulf War and the growth of

democracy in Eastern Europe,

economy is extraordinarily

difficult," Bush told C-Span,

the cable television industry's

taped Friday and broadcast

Sunday, cautioned critics not

to count him out, despite his

"the competitive juices"

flowing, said Bush. "I like the

raised millions of dollar for his

"I've been underestimated

before and they ought not to

underestimate, me again

because I'm going to take my

ase out to the American

people, get this economy

turned around and I'll be

1991 as "a year of mixed

emotions a year of up and

Dramatic changes abroad

made this 'a more peaceful

world for our kids to grow up

president described

1992 re-election race, said

That decline has just gotten

Bush, who has already

recent plunge in the polls.

But Bush, in an interview

public service channel.

"Trying to cope with this

reports AP.

whose state has been hit hard by slumping car sales, blamed the trade gap with Japan in part for the nation's economic

"I think you have to attribute part of the recessionary problems that we have here in the United States to ... our policies with respect to trade vis-a-vis Japan, "he said on another US television programme.

Some 30 billion dollar of a protected 40-billion-dollar trade deficit with Japan this year is due to car and truck

The widening gap with Japan is heightening trade tensions between the two countries at a time when the United States is enjoying a surplus of about 20 billion dollar with Europe.

In a move that will help US earmakers, the US Commerce Department ruled on Friday that Japan has been dumping minivans on the US market and it prepared to impose duties on the imports.

GM's announcement last week that it will slash its North American workeforce by 74,000 over the next four years and close 21 plants shocked many Americans already nervous about the econ-

USIS adds: Congressional Democrats have announced they will introduce legislation that would require reduction of the US trade deficit with Japan or else impose sanctions against imports of Japanese autos and auto parts.

The bill would require a reduction of the bilateral trade deficit, predicted at about 41,000 million dollar in 1991. by 20 per cent a year for five

If the targets were not met, the bill would limit auto imports from Japan at the present level, about 3.8 million, in the first year and then reduce the limit by 250,000 each year.

The limit could be increased in a year by a number equal to any increase in Japanese imports of US autos.

In the first 10 months of 191 the US merchandisc trade deficit with Japan, more than 35,000 million dollar, accounted for nearly 64 per cent of the total US trade deficit. well more than half of the US-Japan deficit is in the auto sec-

While the Japanese share of

the US auto and auto parts market has risen to 33 per cent, the US share of the equivalent Japanese market is stuck at one per cent.

And since 1985, when the United States started negotiat ing to open markets in Japan for US auto parts, the US Jupan deficit in that sector has soared from 3,000 million dollar to 12,000 million dollar a year and is headed by one estimate to 22,000 million in

At a December 20 news conference, Senator Don Riegle from Auto-producing Michigan blamed the US-Japan trade imbalance on Japan's systematic, ruthless, predatory trading practice.

It must be stopped before more of America's industrial base is destroyed, Riegle said.

Riegle and five democratic members of the House of Representatives made the announcement just a few days, before President Bush begins a tour of Australia and Asia, including important trade talks in Japan January 7-10. They said they want Bush not just to secure commitments, but even more to achieve some measurable increase in US exports to

If he achieves that, we will be very happy, House majority leader Richard Gephardt said.

New container feeder vessel built

By Staff Correspondent

A 532-feet and 20,000 tonnes deadweight container vessel came off the assembly line of the Danish Odense Steel Shipyard Ltd, Denmark on December 7.

The vessel named "Chastine Maersk is the first in a series of six container feeder vessels being built for AP Moller of Copenhagen, according to

The vessel can carry more than 1200 twenty-foot containers including 114 refrigcrated 40 feet ones. A 35-ton. container ganfry with automatic spreader has been installed to serve harbours without crane facilities.

"Chastine Marsk" will use Hellerup as her home port and be under the command of Captain Jorn Vilhelm Frederiksen with Krl Johan Frigaard as Chief Engineer.



Sponsor Mrs Helle Soderberg with Lindo Yard's MD Kurt Anderson and others at the naming ceremony of Chastine Maersk at Lindo Shipyard.

Soviet Jews in Israel seek exit

JERUSALEM, Dec 23: More and more Soviet Jewish emigres, facing bleak job prospects in Israel, now want to leave for other countries but are finding the way cut off by bureaucratic and financial obstacles, reports AFP,

Of the 336,030 Soviet Jews who have arrived in Israel since 1989, seven thousand have already left and 3,000 are planning to do so, according to 'iri Gordon, head of the immigration Department at the Jewish agency, the semigovernmental body Responsible for the integration of immigrants.

But getting out of Israel is proving to be no easy operation. During their first year here immigrants are provided only with travel documents rather than passports.

· They must then obtain visas from the countries they wish to travel to, most of which are in the West where such papers are increasingly hard to come

Those leaving must also provide guarantees-either through family members staying behind, friends or employers-covering the repayment of loans and gifts made available to them on arrival by the

Jewish agency. For a family of four such

Finding work has proven to be the most exasperating hurdle for Sovfet immigrants. The Central Statistics Bureau said grants came to 40 per cent at the end of September-against a national average of 10 per

Joblessness has been particularly acute in certain fields. Of 9,300 doctors who have arrived, only a third have found work commensurate with their qualifications after passing qualifying exams.

Prices to rocket in Russia

days, prices will soar in Russia programme to introduce a free for food, clothing and a variety of other goods, most of them already in desperately short supply, reports AP.

Boris Yeltsin's plan to let prices rise freely is supposed to reform the economy through a radical shock of free-market conditions.

Many Russians think the probable result will be empty stomachs and empty wallets. and perhaps civil unrest.

The most likely thing to happen will be that the empty plates will force people to go out into the streets," warned Alexander Nazarov, a stone mason waiting to buy sausage in central Moscow's Novy Arbatsky grocery store.

Nazarov was at the end of a two-hour line to buy the fatty meat for eight rubles a kilogram, a little over two pounds. That prices is artificially low because of state subsidies, but is still a half-day's pay for the average worker

Under Yeltsir - plan to decontrol prices starting Jan, 2-

MOSCOW, Dec 23: In 10 the first step in his radical market economy by next fall the grocery store will be free to charge as much as it thinks shoppers will pay for the meat and almost everything else.

> The government will continuc to regulate, at least for the time being, prices for everyday necessities such as milk, some kinds of bread. cosking oil, sugar, salt, baby food, vodka, matches, electricity, gasoline, transportation fares and communications ser-

Prices for clothing, appliances and luxury goods will be allowed to rise freely along with food in hopes that higher prices will spur farmers and factories to produce more in pursuit of profits. For decades, state prices had no relation to production costs.

Forecasts of how high prices will shoot up vary widely, partly because Soviet producers, retailers, consumers and lawmakers have so little experience with capitalist concepts such as supply

Russia's deputy finance minister, Andrei Nechayev, predicted at a news conference Friday that prices will triple on average. A former economics minister, Yevgeny Saburov, expects prices to guadruple.

Yeltsin has promised safety nets to help those who can least afford price increases, including soup kitchens, special discount stores, higher pensions and student stipends, and higher wages for low-income professions, including teachers and doctors.

Already, he says, 55 per cent of all Russian families live in poverty.

Economists say the main flaw in the price reform plan is that there are no provisions to combat the inevitable inflation, other than the Russian government's commitment to control the moncy supply and pull the plug on the Soviet mint, which was printing rubles around the clock.

Consumers fear the worst.

China signs trade pact with

BEIJING, Dec 23: China signed an economic and trade pact on Sunday with the newly independent republic of Kazakhstan, the first open move by Beijing to cement ties with the new Muslim countries along its western border, reports Reuter.

The official New China News Agency said Li Langing. China's Minister of Foreign Economic Relations and Trade, signed the agreement with Sabishev, the Kazakh Minister of Foreign Economie Relations.

Cuba, Ukraine sign economic pact constitutes an important step

HAVANA, Dec 23: Cuba and the newly independent Ukraine signed their first agreement calling economic collaboration and their intention to trade over the next three years, the Cuban news agency Prensa Latina reported on Sunday, according to Reuter.

The agreement was sighed in Kiev, the Ukrainian capital, by Cuba's Foreign Trade Minister Ricardo Cabrisas, and the Minister of State of Ukraine AK Minichenko.

The joint Cuban-Ukrainian statement quoted by the news agency said:

"During the conversations parties showed great readiness to work for the increase of mutually advantageous ties and to establish contracts between

enterprises." "This document has a historic character since it is signed within the context of the proclamation of

independence of Ukraine and

in the development and deepening of the ties between the two countries." The announcement brought

as sigh of relief from many A Cuban official told

Reuters: "It is the first good news we've had regarding trade from what used to be the Soviet Union."

Ukraine, as part of the former Soviet Union, traditionally supplied Cuba much of its wheat, animal feed and milk products. Cuba, in turn, sold more than four million tonnes of raw sugar annually to the Soviet Union, part of which went to Ukraine, for well above world market

Last week, Cuban President Fidel Castro pointed out the difficulties for Cuba in dealing with separate nations that have been formed out of the Soviet Union.

\$ 10b GCC aid fund for Arabs unlikely

KUWAIT CITY, Dec 23: Foreign ministers of the conservative Gulf Arab states met here on Sunday to prepare for a summit meeting, but a reliable source said that their plans to launch a 10-billiondollar aid fund for fellow Arab states were unlikely to get off the ground, reports AFP.

A Kuwaiti official, speaking for the six nations of the Gulf Cooperation Council (GCC), said that the ministers had recommended the setting-up of such a fund, but the source said the GCC's leaders, who are due to meet today, were in face unlikely to endorse it. "I do not believe the GCC

countries, which were obliged to borrow on international markets to honour the commitments ensuing from the Gulf war, are going to be able to launch this programme," the source said.

Kuwaiti Foreign Minister Sheikh Salem Al-Sabah, speaking to reporters after Sunday's meeting, studiously avoided any reference to the aid fund plan, which was floated at the

December last year. Any GCC aid was expected to go only other Arab countries that opposed the Iraqi inva-

previous GCC summit in

sion, observers said.

Compass, another airline, falls flat

SYDNEY, Dec 23: An airlift of Christmas passengers stranded by the collapse of Compass Airlines got underway Monday as more than one thousand staff were informed they had lost their jobs, reports AFP.

The federal government ruled out any financial rescue as Defence Minister Robert Ray ordered a Royal Australian Air Force (RAAF) Boeing 707 to join the lift from Tuesday to carry passengers from Sydney, to Brisbane and Cairns.

"We expect to also fly from Sydney to Perth with possible stops in Adelaide," an RAAF spokesman said.

International carrier Qantas has been authorised to carry domestic passengers between

mestic airlines Ansett and Australia were providing hundreds of Compass passengers with discounted fares.

ago following deregulation, collapsed on Friday night when a liquidator was appointed after the airline's negotiations with Air New Zealand on a financial rescue package broke down.

Its 1,037 staff were officially told by liquidators Ferrier and Hodgeson on Monday they had lost their

Chief executive and founder Bryan Grey told reporters he hoped to revive the airline with a 'long shot" rescue deal over the next 24 hours, but, declined to spell out what

would be done. "We're giving it our best shot", Grey told about 800 former staff and supporters in Brisbane.

Legal action involving Compass and its aircraft lessors was dismissed in the federal court on Monday, judge lan Sheppard Ruling the litigation had been overtaken by the appointment of a liquidator.

The lessors - Monarch, Polars Holdings and Canadian airlines - move last Wednesday to take possession of the five airbus jets in the Compass fleet.

The Civil Aviation Authority (CAA) then stepped in and issued legal orders giving it the right to hold the Compass

million dollar (9.2 million US) it was owed.

- Star photo

Unions in Melbourne refused to refuel two Compass jets in an attempt to stall any

attempt to fly them out of the country. Victorian Trades Hall Council Secretary Max Burr said unions wanted the aircraft to stay in Australia while attempts were made to get

Compass flying again. Bans by the transport workers union in the state were ex-

pected to spread to Brisbane and Sydney, where the rest of the airline's aircraft were be-

ing held. Burr said he believed the

At meetings around the country. Compass staff called on the public to help save the

fight on after receiving official termination of employment notices, with ground staff offering to work for three months at half pay and pilots prepared to fly for free.

Fighting Fund' was set up to solicit donations from the public to save the airline.

Bob Collins rejected the idea of government assistance to Compass and said the public should be careful about putting money into 'Fighting Funds' to concern. Collins said it would be

some time before the true financial situation of the airline would be known.

"The primary commercial responsibility for the failure of Compass must lie with the board of Compass and its chief management and in particular, its chief executive Bryan Grey," Collins said.

Grey has said the federal government failed to honour a commitment to provide suitable terminal facilities for Compass, stopping it winning a share of the premium market necessary for its survival.

But Collins said Grey has "to bear some of the responsibility for this himself."

some of the things he's saying now, blaming the CAA, then terninals, then Ansett and Australia's predatory pricing, "Collins said.

Business Briefs

Iran, China to boost trade. : Iran and China have agreed to bolster trade and negotiations and are underway to set up cement factories and machine building industries in Iran, Commerce Minister Abdul Hussein Vahaji said Sunday, reports AFP from Tehran.

Vahaji, quoted by the official news agency Irna, was speaking on his arrival in Yemen following a trip to China during which he discussed "pricing and price-control mechanisms" with Chinese authorities.

worth of goods from China during the calendar year from

He disclosed that Iran had imported 273 million dollar

March 21, 1990, to March 21, 1991. Tokyo okays budget: Japan's Cabinet on Sunday approved a preliminary fiscal 1992 budget that would expand spending by only 2.7 per cent from the current year, the smallest increase in five years, Finance Ministry officials said,

reports AP from Tokyo. Amid both receding cold war threats and a slowing in economic growth, the increase for defence spending 3.4 per

cent would be the lowest in 32 years, said one official, speaking on condition of anonymity.

But foreign aid would expand by 5.0 per cent in the budget for fiscal 1992, beginning next April 1, he said. The preliminary budget approved Sunday still is to undergo negotiations between the Finance Ministry and other ministries before the government presents its final budget

proposal to parliament. IA pilots return to work: Pilots of India's domestic air carrier, Indian Airlines, returned to work Monday, ending a 48-hour walkout that left thousands of

passengers fuming, reports AP from New Delhi. About one-third of the airline's 450 pilots took sick leave over the weekend to protest the transfer of eight pilots to Calcutta against their will. The pilots' contract permit a 48-

hour absence without a doctor's certificate. Press Trust of India said the airline may add extra flights to clear hundreds of passengers who were stranded at airports around the country.

angry scenes between passengers and ground staff. KPMG income up : With worldwide fee income exceeding six billion US dollar for the fiscal ended September (30) 1991, the largest international accounting

Newspapers recounted tales of interminable delays and

and consulting firm KPMG announced that its fee income had increased by 12 per cent over the previous years figure of 5.4 billion US dollar, says a press release. Particularly strong are the results reported for the leading economies of Europe and Asia Pacific. Revenue generated in Europe of 3.1 billion dollar, which represents 51 per cent of worldwide revenues, constitutes a healthy 23 per cent growth rate and confirms KPMG's position as the dominant profes-

sional services firm in Europe. The 24 per cent growth rate in the Asia Pacific practices emphasises the region's increasing importance to KPMG and reflects the dynamic economic expansion in this rapidly growing area.

Don't count me out, says Bush in," he said, adding that there was also "the agony of a very slow economy at home that hurt a lot of good people."

Bush called the Federal Reserve Board's one percentage point cut in the discount rate, to 3.5 per cent its lowest level in 27 years "very good news.... which



Bush: Confidence should have a stimulative effect

added the 67-year-old

on the economy. Bush said he relishes the challenges of the presidency. . Trying to cope with this economy is extraordinarily difficult," he said. "I'm determined to succeed, but learned firsthand in 1991 that

the buck does stop there on

that desk and properly so." On other topics, Bush said he wouldn't trade the American system for Britain's parliamentary government.

"I count my blessings for the fact I don't have to go into that pit that John Major stands in, nose-to-nose with the opposition, all yelling at each

Crowed about his good Exercise is very important for me..... I'm blessed with a tremendous amount of energy," he said.

"I love competitive sports,"

president. "I can't wait for Christmas Day at Camp David to whip up on the Marines up there with my three sons as the Bush wallyball team goes

played indoors on a racquetball And, the president vowed: I'm not going to be driven off the golf course..... I can do two things at once : mind the country's business and then.

back into action." "Wallyball" is volleyball

every once in a while, play Shrugged off New York Governor Mario Cuomo's decision to skip the Democratic presidential race. The other Democrats, Bush said,

were never going to "roll over

and play dead" for Cuomo.

"I respect his decision. And in spite of the fact we yell about each other from time to time, we get along all right,"

Said he likes frequent, informal news conferences: "I lances the sores that build up if you're unavailable." Called hunger in America "a

tragedy," but said, "there have

always been homeless, there

always have been those hungry even in affluent countries like Meanwhile, two Democratic presidential aspirants charged Sunday that Bush has shirked responsibility and "is making

responsibility."

by CBS.

War, President Bush is making the American people feel like losers, but we're not losers." *Clinton was interviewed by the ABC network, and Kerrey

the American people feel like Govern Bill Clinton o Arkansas, asked if he was not blaming the president for the state of the economy, replied: "Well, I think the President was in the driver's seat, and the thing that bothers me about it is the way he's denigrated the idea of having a unemployment among immivision for the country. He has refused to accept any

Sen Bob Kerrey of Nebraska said: "At the end of the Cold

loans amount to 11,000 dollar.

Kazakhstan

capital cities and it and do-

Garment workers demonstrating in city Sunday for better pay and other demands.

Compass, launched a year

planes until it was paid the 12

jets were to be flown out of Australia on Tuesday.

in Sydney, staff vowed to

A 'Friends of Compass

Aviation Support Minister

keep the fatled airline a going

"I'm frankly astonished at